

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 6719**

**BILL NUMBER:** SB 459

**DATE PREPARED:** Jan 17, 2001

**BILL AMENDED:**

**SUBJECT:** Dental and Vision Services under CHIP.

**FISCAL ANALYST:** Alan Gossard

**PHONE NUMBER:** 233-3546

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
X FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill requires the Office of Medicaid Policy and Planning (OMPP) to apply to the United States Department of Health and Human Services for approval of a waiver to provide coverage for dental and vision services under the Children's Health Insurance Program (CHIP) to a child who has health insurance coverage but does not have coverage for dental services or vision services and is otherwise eligible for coverage under CHIP.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:** The projected state share of expenditures from providing vision and dental coverage in the CHIP program is about \$1.45 M for FY 2002 and \$5.59 M for FY 2003. This assumes that a waiver application to provide these services is approved by the U.S. Department of Health and Human Services. If a waiver were not approved, the program would not be implemented.

Total expenditures, state and federal, are projected to be \$5.36 M for FY 2002 and \$20.70 M for FY 2003. (Federal share is estimated to be \$3.91 M for FY 2002 and \$15.11 M for FY 2003.)

*Background:* Currently, children with health insurance are excluded from participation in the CHIP program, even if their health insurance coverage does not provide coverage for dental and vision services. This bill requires OMPP to seek a waiver to provide this coverage. OMPP estimates that about 101,000 children could be eligible for services under this bill (about 59% of the number of children who would be eligible for CHIP were it not for having health insurance). OMPP also estimates that dental and vision services would cost about \$29.52 per member per month in FY 2002 and \$35.34 per member per month in FY 2003.

The cost estimates assume that federal financial participation of 73% is obtained after waiver approval. The bill provides that if a waiver is not approved, these services will not be provided. The estimate also assumes that it will take time to ramp up the program. Consequently, it is assumed that about 38,500 children will

receive services in the second half of FY 2002, and an additional 20,300 would be served in FY 2003.

**Explanation of State Revenues:** See Explanation of State Expenditures, above, regarding federal financial participation in the CHIP program.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** OMPP.

**Local Agencies Affected:**

**Information Sources:** Susan Preble, Legislative Liaison for the Family and Social Services Administration, (317) 232-1149.